

§ 1951.459 Preservation of security.

(a) *Inspections of NP security property.* Inspections will be made on NP security as necessary to protect FmHA or its successor agency under Public Law 103-354's security interest. In the event of abandonment, servicing actions will be taken according to §1955.55 of subpart B of part 1955 of this chapter.

(b) *Subordination.* Subordination is not authorized where an NP borrower only owes FmHA or its successor agency under Public Law 103-354 an NP loan(s). Subordination of a mortgage may be permitted to refinance, extend, reamortize, increase the amount of an existing prior lien, or to permit a prior lien only when the security for the NP loan is also security for an FmHA or its successor agency under Public Law 103-354 program loan, the request for the subordination meets all the requirements for the subordination of the FmHA or its successor agency under Public Law 103-354 program loan and is in the best interest of the Government.

(c) *Bankruptcy.* NP loans on single family residences will be serviced in accordance with subpart C of part 1965 of this chapter, farm real estate in accordance with subpart A of part 1965 of this chapter, and farm chattel in accordance with subpart A of part 1962 of this chapter.

§ 1951.460 Release of security property or sale or lease of related property rights.

(a) *Partial release.* Release of a portion of the security property may be made when the borrower requests it and FmHA or its successor agency under Public Law 103-354 determines the release will not adversely affect the Government's interest. Release may be approved when payment is received by FmHA or its successor agency under Public Law 103-354 in the amount of the market value, as determined by FmHA or its successor agency under Public Law 103-354, of the property to be released. Proceeds from such transactions (less related expenses authorized by FmHA or its successor agency under Public Law 103-354) will be applied to the FmHA or its successor agency under Public Law 103-354 indebtedness as an extra payment

or to prior liens in order of lien priority.

(b) *Easements, right-of-ways, and lease of mineral rights or other rights.* Consent may be given by FmHA or its successor agency under Public Law 103-354 for the borrower to grant an easement or lease mineral rights when it is determined by FmHA or its successor agency under Public Law 103-354 the action will not adversely affect the Government's interest. The granting of an easement or right-of-way and lease of mineral rights may be approved when payment is received by FmHA or its successor agency under Public Law 103-354 in the amount of the market value, as determined by FmHA or its successor agency under Public Law 103-354, for rights granted or benefits are derived which are equal to or greater than the value of the property being disposed of. Proceeds from these transactions (less related expenses authorized by FmHA or its successor agency under Public Law 103-354) will be applied to the FmHA or its successor agency under Public Law 103-354 debt as an extra payment or to prior liens in order of lien priority.

(c)-(d) [Reserved]

§ 1951.461 Release of valueless FmHA or its successor agency under Public Law 103-354 lien without monetary consideration.

Release of an FmHA or its successor agency under Public Law 103-354 lien without monetary consideration may be granted when it is determined by FmHA or its successor agency under Public Law 103-354 to have no present or prospective value or when enforcement would be ineffectual or uneconomical. Judgment liens or statutory redemption rights may be released only with prior consent of OGC.

§ 1951.462 Deceased borrower.

When an NP borrower dies, FmHA or its successor agency under Public Law 103-354 will determine whether or not arrangements can be effected for continuation of the loan under one of the provisions of this section. If not, the loan may be liquidated according to §1951.468 of this subpart. The servicing actions and the circumstances under